Location: via email only

Monthly Ex-CPIM Hedge Portfolio Update	Harold		
Natural Gas Market Update	Harold		

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Ex-CPIM Hedge Portfolio Update (unaudited)– Winter 2010-2011 (report date 12/13/2010)

WINTER 2010-2011 (ex-CPIM hedges)

Hedge					, Option Premium	Strike Price Range	Strike Price Target (US	Options Notional Volume	12/13/2010 Options Unrealized	Swaps Notional Volume	Swaps	12/13/2010 Swaps Mark-to-	Total Notional Volume
Plan	Execution	Delivery	Delivery		Dollar Outlay		dolllars/	Coverage to	Intrinsic	Coverage to	Price	Market Gain	a subscription and a subscription
Year	Dates Redacted	Points	Period	Products	to Date	MMBtu)	MMBtu)	Date	Gain, if any	Date	Range	/ <loss></loss>	Date
2008 2008													
2009	Redacted										I		
	Current Forv 12/13/2010		Redact	ed									
	Prior	· repo	rt was	Nove	mber 1	9, 201	0						

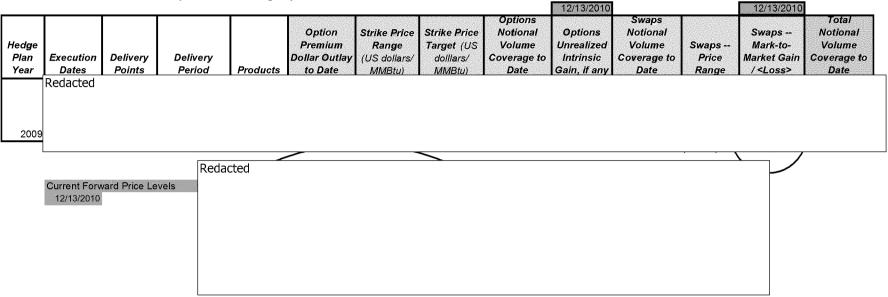
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Pacific Gas and Electric Company.

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Ex-CPIM Hedge Portfolio Update (unaudited)– Winter 2011-2012 (report date 12/13/2010)

WINTER 2011-2012 (ex-CPIM hedges)



Prior report was November 19, 2010

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Natural Gas Market Update

- The NYMEX prompt month January NYMEX is currently trading around \$4.22/MMBtu (12/15/2010), 20c above month-ago levels. Early winter-like weather and stable rig counts have provided some near-term price support.
- Bullish factors:

Redacted		
Bearish factors:		
—		

• Winters 2010-2011 and 2011-2012 are between \$4.35 and \$5.10 (NYMEX), unchanged from a month ago due partly to stabilizing (albeit strong) North American gas production.

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